

Press release issued on behalf of BCR

For immediate release: Tuesday 18 August 2020

Banking Competition Remedies Ltd (BCR) announces the awards of Capability and Innovation Fund Pool E (Application Period One)

The Board of Banking Competition Remedies Ltd (BCR) today announces the results of Application Period One of the Capability and Innovation Fund Pool E grant process.

The purpose of the Capability and Innovation Fund Pool E Application Period One is to facilitate the commercialisation of financial technology that is relevant to SMEs. This application window was open to organisations that meet the same eligibility criteria as previous Pool D Bodies, which can be found [here](#).

The grants, which have a combined value of £20 million, are awarded as follows:

£5m	£2.5m
Funding Xchange Ltd	Codat Limited
Onfido Limited	ezbob Ltd
	Fractal Labs Ltd
	Previsio Ltd

The successful applicants will shortly each be invited to enter into a Capability and Innovation Fund Agreement with BCR. As part of the application process, each applicant provided public commitments stating what it will deliver with the CIF funds. These can be found [here](#).

BCR received a total of 92 applications from 67 applicants for the Pool E Application Period One process, during an application window between 1 June 2020 and 26 June 2020.

BCR's assessment and decision-making processes were completed on time and adhered to the assessment criteria pre-determined in the design of BCR.

BCR decision-making

As with each previous Pool of the Capability and Innovation Fund, BCR engaged business and technology consultancy, Baringa, to receive and analyse the applications via a rigorous and detailed process. BCR's evaluation team decided which applications should be recommended to the BCR Board for consideration and final decision.

Applicants were advised that, while all [assessment criteria](#) should be addressed, BCR was particularly interested in the applicant's ability to deliver on its proposition build by the end of 2022, meeting the product and service criteria, while ensuring high security standards for end-users.

More information on the Capability and Innovation Fund decision-making process can be found [here](#).

Ongoing monitoring

BCR retains a robust focus on monitoring and compliance of all funding recipients once funds have been awarded. Progress against each applicant's public commitments will be updated on a quarterly basis with the first reporting update due in January 2021. The commitments provide a publicly-accessible record of delivery.

Awardees report regularly to BCR, including face-to-face (currently virtual) meetings. The HM Treasury-appointed Monitor, Mazars, reports to HM Treasury on progress and is fully briefed on BCR meetings with awardees.

Aidene Walsh, Lead Director on the Capability and Innovation Fund workstream, said:

"It has been really encouraging to see that, despite the challenging economic environment, this Pool has attracted a large number of diverse and innovative organisations that are making strong progress in meeting the needs of UK SMEs. All successful applicants have demonstrated a clear vision for how they will deliver on their business proposition by December 2022 and provide agile and enduring products and services to the SME market".

Pool E Application Period Two

Applications for the Pool E Application Period Two for banks and organisations that are eligible under previous Pool A, B and C criteria for grants, which have a combined value of £80 million, closed on 31 July. Grant sizes for this round are 1 x £35m / 1 x £25m / 2 x £10m. The Evaluation process is underway and successful awardees will be announced during the week of 21 September 2020.

Further information regarding Pool E can be found below.

-Ends-

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Notes to editors

About BCR

Banking Competition Remedies Ltd (BCR) is the independent body established to implement the £775 million Royal Bank of Scotland (RBS) State Aid Alternative Remedies Package (ARP). BCR is independent from RBS and the UK Government. It is governed by an independent board of directors.

The purpose of BCR is to implement the ARP such that the UK's State Aid commitments are met, coupled with an ambition that seeks to increase and expand competition among providers of financial services to SMEs.

The ARP was negotiated and agreed between HM Government and the European Commission and comprises two RBS funded measures amounting to £775m:

- The **Incentivised Switching Scheme** – to which up to £275m is allocated to assist SME customers within the Williams & Glynn business to move to ‘challenger banks.’ A further maximum sum of £75m has been set aside within RBS to cover customers’ switching costs.
- The **Capability and Innovation Fund** – to which £425 million has been allocated to support the development of wider capabilities and competition in the SME banking market essentially through grants to eligible challenger institutions across four pools. A further funding round, Pool E, has been created to redeploy some £100m to eligible applicants, after two awardees, Metro Bank and Nationwide, each returned £50m to BCR after their own internal strategic reviews indicated a change in business direction. BCR holds awardees to account by closely monitoring their progress against business plans. How BCR monitors awardees can be found [here](#).

The Capability and Innovation Fund is designed to promote capabilities and competition in the market for banking services to SMEs in the United Kingdom. Further details on the Capability and Innovation Fund including information on Pool E can be found [here](#).